DOCUMENT RESUME

ED 180 552 JC 800 043

AUTHOR Morgan, John A., Jr.
TITLE An Assessment of the Potential Implications to Piedmont Technical College of Property Tax Limitation Legislation in South Carolina.
PUB DATE 15 Nov 79
NOTE 57p.: Ed. D. Practicum, Nova University

EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS *Budgeting; College Planning; Community Colleges; Declining Enrollment; Educational Finance; *Financial Problems; *Financial Support; *Junior Colleges; *Literature Reviews; Long Range Planning; Retrenchment; Social Factors; State Aid; State Legislation; Tax Effort; *Tax Support
IDENTIFIERS Proposition 13 (California 1978); South Carolina

ABSTRACT

A review of the literature concerning educational finance, taxation, and California's Proposition 13 (1978) reveals that educational institutions encountered financial pressures before the passage of Proposition 13, and that these pressures--hardly specific to California--are highly visible in the South Carolina Technical Education System. The diminishing popularity of education began during the middle 1960's and was reinforced by the onset of depressed economic conditions in the 1970's. As a result, this decade saw declining enrollments, austerity in budgeting, retrenchment policies, and increased tuition rates. Although no tax limitation measures were passed in South Carolina, state taxpayers and legislators developed a marked appropriation frugality. A new governor gave priority to budget limitations, and while the 1979 appropriations to the Technical Education System were up $3 million from 1978, mandated increases caused a $765,327 net loss. Piedmont Technical College, in particular, was underfunded $150,000 and suffered a 12% decrease in local support. To meet this challenge, Piedmont, as well as other institutions, should institute long-range contingency planning efforts that combine budgeting and planning functions to select areas for expenditure reductions. In addition, colleges should lobby for legislative funding and win popular support by demonstrating operational efficiency. (Author/JP)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED180552

AN ASSESSMENT OF THE POTENTIAL IMPLICATIONS TO PIEDMONT TECHNICAL COLLEGE OF PROPERTY TAX LIMITATION LEGISLATION IN SOUTH CAROLINA

By
John A. Morgan, Jr., M.S.
Piedmont Technical College

A PRACTICUM PRESENTED TO NOVA UNIVERSITY
IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE
DOCTOR OF EDUCATION DEGREE

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
John A. Morgan
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

NOVA UNIVERSITY

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

November 15, 1979

JC 800 043

ABSTRACT

For the past several years many colleges and universities throughout the country have experienced varying degrees of financial difficulty. In some cases financial problems have been precipitated by falling enrollment and in others, by lower appropriations from government support agencies. The most dramatic example of reduced financial support from government agencies occurred in June 1978, when an overwhelming majority of California taxpayers voted their approval of Proposition 13, the Jarvis-Gann Property tax initiative. This measure which resulted in unprecedented cuts in educational budgets caused educators in and out of the state to think seriously about the enactment of similar measures in other states. The purpose of this study was to assess the implications of such a tax measure in South Carolina. The study focused on the review, analysis and evaluation of literature concerning financing higher education, taxation and Proposition 13. An analysis was made to determine if the California situation was unique or if the factors precipitating tax limiting legislation were wide spread. The study concluded that educational institutions were under increasing financial pressures including declining government support. This decline started before Proposition 13 and had continued after the measures passage. The author contends that Proposition 13 was the logical progression of the shift in taxpayer and legislator priorities begun in the late 1960's. Further, the revolt against taxes and government spending was not unique to California but prevelent in varying degrees in other states including South Carolina. In South Carolina the trend resulted in lower appropriations to the Technical Education System and Piedmont Technical College. To reverse the shrinking financial base, the author suggests the interfacing of planning and budgeting to insure that the well developed objectives of the planning cycle are costed and included in the budget request and that planned objectives are prioritized to insure that scarce funds are applied to the most important objectives. The study further suggests the development of a comprehensive plan designed to capture legislator and public financial support of college objectives.

CONTENTS

Page

Chapter

1. INTRODUCTION.....1

2. BACKGROUND AND SIGNIFICANCE.....6

3. PROCEDURES.....16

4. RESULTS.....20

5. DISCUSSION, IMPLICATIONS AND RECOMMENDATIONS.....39

REFERENCES.....47

APPENDIX

A. MEMORANDUM FROM DR. WALTERS.....53

AN ASSESSMENT OF THE POTENTIAL IMPLICATIONS TO PIEDMONT TECHNICAL COLLEGE OF PROPERTY TAX LIMITATION LEGISLATION IN SOUTH CAROLINA

INTRODUCTION

For the past several years, many colleges and universities throughout the country have experienced varying degrees of financial difficulty. In some cases, financial problems have been precipitated by falling enrollment and in others by lower appropriations from government support agencies. The most dramatic example of reduced financial support from government agencies occurred in June 1978 when an overwhelming majority of California taxpayers voted their approval of Proposition 13, the Jarvis-Gann Property Tax Limitation Initiative. This measure, which resulted in unprecedented cuts in appropriations to all state supported agencies, sent shock waves throughout the state and caused many educators, in and out of the state, to think seriously about the potential implications of similar tax measures across the country (Martona and Smut?:1978:38). The purpose of this study was to assess the potential implications of such tax measures in South Carolina.

While the depth and breadth of the reductions in appropriations to education compelled by Proposition 13 quickly forced educators to reflect on the nationwide implications of this

measure, financial difficulties were not new to education and, in fact, had plagued many educational institutions throughout the seventies. Time characterized the 1970's as "much a time of retrenchment in higher education as the 1960's were a period of headlong expansion" (1979:38). The financial difficulties of the South Carolina Technical Education System in the mid to late 1970's lent credence to this characterization.

As had other educational institutions in the state, the Technical Education System(TEC) had experienced funding problems since the mid 1970's. For the three years preceding Fiscal 1979, reduced state appropriations had halted growth throughout the system. A 1977-78 Technical Education pamphlet, designed to elicit legislative support, indicated that "demand for technical training has far exceeded the state's funding during the last three years" and that inflation reduced the value of the appropriated funds (1977:2). This publication noted that full-time equivalency curriculum enrollment decreased by 9 percent because of inadequate funding (Ibid).

In Fiscal 1979 a concerted program designed to gain legislative support for technical education was successful in reversing the declining funding pattern of the prior three years and the technical education system received a 16 percent increase in base appropriations (Contact:1978:2).

This easing of financial pressure was short lived as appropriations in real dollars were down again in Fiscal 1980 and the State Budget and Control Board directed each state agency to plan for a 10 percent decrease in appropriations for Fiscal 1981 (Peterson:1979). Moreover, as a possible fall-out of Proposition 13 and some legislative disenchantment with the direction of technical education, as well as a thrust by a new Governor for tax reform, pressures were on legislators to initiate tax reforms and reduce taxes. A hard look at future appropriations appeared inevitable. Lower appropriations to the technical education system could result (Mansfield:1979:1D).

As one of the 16 colleges in the South Carolina Technical Education System, Piedmont Technical College has shared in the financial woes of the system. The reduced state appropriations has forced the college to limit expenditures across a wide range of college activities. Typically major economies were achieved through the deferral of building maintenance projects and the delaying of filling vacated positions. Other economies resulted from small across-the-board reductions in most budget categories. The depth of needed economy measures have not required, as yet, a reduction in force, although this alternative was studied (Morgan:1979).

In January 1979 the college began work on the development of a comprehensive planning document designed to provide

direction for the next five years. This was the first long range planning effort by the college and expectations were high for new directions to meet the educational challenges of the future (Walters:1979:1). Prior college planning had been limited to a document citing a number of objectives to be achieved during the fiscal year. The budget process was not linked to this planning effort and the accomplishment of objectives was neither supported nor constrained by funding considerations. This shortcoming was viewed as a major deficiency of the planning process (Chason:1979). As a result of this concern and the apparent need to live with a continuation of austere state appropriations, the President and institutional officers requested an assessment of the future financial climate facing the technical education system in South Carolina and Piedmont Technical College with emphasis on the long-range implications of Proposition 13 type legislation (See Appendix A). This study provided some background material on financial difficulties in education and an assessment of the potential implications to the college of revenue limiting legislation in South Carolina.

The study focused on the review, analysis and evaluation of literature in the field pertaining to higher education finances, taxation and Proposition 13. In the former, the study reviewed the purported underlying causes of the financial difficulties that have plagued higher education for a number

of years. In addition, the financial environment and taxpayer feeling that precipatated the passage of Proposition 13 was examined to determine the reasons for the proposal and its subsequent approval. An analysis was made to determine whether the California situation was unique or if the factors precipitating tax limiting legislation were wide-spread. A more detailed analysis was made of the contemporary financial climate in South Carolina and the potential for tax initiatives similar to Proposition 13.

BACKGROUND AND SIGNIFICANCE

In June 1978, California taxpayers culminated months of increasing dissatisfaction and frustration with the escalating growth in property taxes by voting approval of the Jarvis-Gann tax limitation proposal. This legislation, more widely known as Proposition 13, changed the California property tax structure by limiting property taxes to the 1975 assessment level with tax growth limited to 2 percent per year (Angel and Karathanas:1979:18C).

For taxpayers this measure was projected to reduce taxes on business and residential properties by 50 percent (San Francisco Chronicle:7:1978). Even more dramatic was the impact of Proposition 13 on state funded agencies. The tax reduction translated to a $7 billion cut in programmed property tax revenue and proportionate decreases in local state government and education budgets (Los Angeles Times: 1979:1). For the latter the effects were immediate, substantial and touched education nationwide.

For the California Community College System tax support was reduced by 39 percent (Martorana and Smutz:1979:38). At the nine campus Los Angeles Community College where 80 percent of the operating budget was supported by property taxes, Proposition 13 reduced the college's local tax revenues by approximately $96 million (Koltai:1978:24). "This unprecedented reduction translated to a 52 percent chunk of current

general fund, non-restricted operating revenue", prompted the cancellation of the summer session, reduced the number of deans by 15 percent and forced 25 to 50 percent reductions in a broad range of other budget categories (Koltai:25:1978). Educational institutions throughout the state were compelled to implement similar belt-tightening measures.

The severity of the cuts in education and the prospects of Proposition 13 influencing taxpayers in other states caused educators to view the California situation as a potentially serious threat to education (Koltai:1978:24). This concern was well founded as subsequently some $3.5 billion in tax cuts were passed or on the legislative agenda in 40 states outside California (U.S. News and World Report: 1979:24). While the aftershocks of Proposition 13 made educators, particularly those dependent on state funds, acutely aware of the vulnerability of their financial support structure, a review of literature reveals earlier erosion of government and state support.

Kemerer and Baldridge (1975:44) reflected that financial problems began for education with the student dissent of the 1960's. They characterized the onset of problems in this way:

> As if decreasing enrollments and a sick economy had not been troublesome enough, priority shifts have taken place in state legislatures and Congress. Problems for colleges began with student dissent of the middle and late 1960's. The result was diminished

> popularity of educational causes with the government and among the public in general: unfortunately it coincided with the beginning of depressed economic conditions. The Federal government dramatically curtailed funding programs for higher education. State appropriations leveled off as claims from other quarters increased.

Other sources corrborated these financial difficulties. The Education Commission of the States(ECS) noted that "elementary, secondary, and post-secondary education systems have been caught in a closing economic vise during the past five years" (1977:1). The ECS saw the downturn of the 1970's and the onset of the 1974 recession compounded by rapid inflation as major contributary factors in the financial pressures on educational institutions (Ibid). The ECS cited declining enrollments as well as pressures for more accountability and tax relief on state legislators as other factors contributing to financial problems of post-secondary institutions (1977:3).

More recently the Chronicle of Higher Education(CHE) reported that a number of private colleges had lost ground from prior years (Margarell:1978:4). The article reported that the proportion of institutions in a precarious financial position increased in 1976-1977. In a review of a number of financial indicators for private two-year colleges, 50 percent were considered to be in a weak condition and 44 percent were losing ground (Ibid). Time Magazine, characterizing the 1970's as a period of retrenchment in education,

reported that "ten private colleges shut their doors in 1978, bringing the total of closings for the decade to 129, more than double the number of new colleges that have opened" (1979:38).

In the public sector, the unwillingness of state legislators to increase funding for community colleges in response to public pressures to control tax levies indicated that the financial woes of colleges included both private and state supported institutions (Goodwin and Young:1978:2). Supporting the notion that financial difficulties pervaded public and private institutions, Margarell noted that all educational institutions were being squeezed by escalating cost increases on one hand and depressed revenue on the other (1979:2). Holman (1979:23) characterized the last several years as a period of increasing enrollment coupled with inadequate funds and positions for most institutions in higher education. While the National Center for Educational Statistics (1978:1), reporting enrollment in the nation's colleges and universities down for the second time in three years, might disagree with Holman's thoughts on enrollment, few educators would argue the opinion that many educational institutions had been financially strapped during the 1970's. As a result, the 1960's and 1970's became a period when educational leaders spent much of their time and energies hunting for revenue (Lombardi:1973).

The financial difficulties plaguing educational institutions nationwide bloomed later in South Carolina, nevertheless the characteristic symptoms were discernible by the mid-1970's. As in other states, legislators were concerned increasingly with the cost of education. This concern and the press of other priorities resulted in substantial reductions in allocations to education and halted growth in some programs thus contributing to declines in enrollment (See Page 2).

The Technical Education System was hit particularly hard by reduced appropriations. An analysis of change in state appropriations to technical education portrayed a declining funding pattern from Fiscal 1975 through Fiscal 1980 (SBFTCE:1979). Using FY1975 as a base year, state appropriations were down $1.0 million in FY1976, $2.3 million in FY1977 and $2.3 million in FY1978 (Ibid). A successful effort to counter this downward trend resulted in a 16 percent increase in base appropriations in Fiscal 1979 (Contact:1978:2). This increase did not restore TEC funding to pre-1975 levels but did halt the three year trend of increasingly lower state appropriations.

Piedmont Technical College shared in the financial difficulties of the system. While supported by Federal, state and local monies, the single largest source of revenue for the college was the annual allocation from the state. This

allocation, representing 40 percent of unrestricted revenue had failed to meet the financial needs of the college for the last several years.

In FY77, the state appropriation to the college was $100,000 less than that provided in FY76. In FY78, the appropriation of $1,391,050 was $125,000 less than the FY77 appropriation (Peterson:1977). The loss of $28,000 in Federal funding for the Veterans Program added to the financial pressures in FY78 (Elliott, Davis:1978). While state appropriations for FY79 were substantially larger than the two preceding years, tuition revenue was down approximately $50,000 due to a drop in enrollment. The anticipation of level funding for Fiscal 1980 and a projected drop in enrollment maintained the financial pressures on the college. In addition, a number of signs gave warning of impending financial difficulty.

For planning guidance the State Budget and Control Board directed state supported agencies to plan for a 10 percent reduction in FY81 appropriations (Peterson:1979). Moreover as a possible fall-out from Proposition 13, state legislators appeared to be more sensitized to the need for accountability to taxpayers than in the past. In a recent survey, the Southern Regional Education Board (SREB) reported that "Southern legislators like lawmakers across the country have tax relief on their list of issues" (Greenville

News:1979:6A). In a study of 14 Southern States including South Carolina, the SREB stated that proposals for refunds, income tax cuts, sales tax exemptions, and state spending limits were top issues among Southern lawmakers (Ibid).

Governor Riley's advocacy of a State Constitutional Amendment requiring two-thirds vote of the legislature for tax increases lent credence to this survey (Greenville News: 1979:4A). In an "unusual mid-year state of the state message" in October 1979, Governor Riley "gave notice that he will start his austerity campaign immediately" (Greenville News: 1979:4A). In this same source, Riley warned state government officials to hold budgets and growth to a minimum. He subsequently "cheered on the state Commission on Higher Education for its efforts to pull in on the reins of needless spending by the state's colleges, universities and technical schools" (Green:1979:7C). State Finance Committee Chairman Dennis' comment that "There are no foreseeable tax increases as far as I am concerned" supported the notion that the legislature was in an austere mood (Vanuch:1979:1B).

In addition to the cost conscious mood of the current state legislature, indications were that legislators were concerned equally with educational accountability. In January 1979, house members told technical education officials to concentrate more on teaching technical skills than "trying to convert schools into junior colleges" (Greenville News:1979:1).

In a three day, front-page series in February 1979, the Greenville News examined the question "Is Technical Education As Good As Before?" (1979:1). Among other policy issues, the series indicated that business leaders were concerned that TEC has lost its power as a magnet to draw industry to the state (Ibid). In a May 1979 editorial, the same newspaper, concerned with a reported 19.5 percent decline in 1978 enrollment, and unconvinced that the cause was financial as explained by TEC officials, called upon the Governor for a full scale investigation "to learn precisely what is wrong with the system" (1979:4A).

With the thrust by a new governor for austerity and a cost-conscious legislature, a hard look at appropriations to education appeared inevitable. Typically reductions in state educational monies resulted in TEC absorbing a disproportionate share of the reduced pie. In presenting the technical education case for budgetary assistance to the State Commission on Higher Education, the Piedmont Technical College Area Commission Chairman, Thomas Snowden, expressed concern for equity in funding (Mansfield:1979:1D). He noted that "the TEC system in South Carolina ranks 14th of the 14 Southern Regional Education Board States in dollars appropriated per full-time equivalent student" and that "the level of funding for technical education is approximately 20 percent below the Southeastern average of other two-year technical

education systems" (Ibid).

The prospects of reduced state appropriations coupled with the possibility of reduced tuition revenue through declining enrollment, as well as the assiduous effects of inflation, forecasted a continuation of financial difficulties for the technical education system and Piedmont Technical College. The influence of Proposition 13 could add to the complexity of the tightening financial constraints.

For the past several months, Piedmont Technical College has been engaged in the development of a comprehensive planning document (See Pages 3 and 4). The financial shortcomings of earlier planning and the prospects of a continuation of austere state funding, as well as, the possible added adverse influence of Proposition 13 underscored the essentialness of linking planning and budgeting. As an element of the financial planning process, the President requested an assessment of the future financing of the college with emphasis on the implications of Proposition 13 type legislation in South Carolina (See Appendix A). This study provided this assessment.

The Societal Factors Module provided some background and the impetus to conduct this study. Taxation had surfaced increasingly as a major concern of taxpayers and legislators. The passage of Proposition 13 made many educators acutely

aware of the problems of financing higher education without stimulating a taxpayer revolt. A study of the implications of tax limiting legislation provided the writer with a better understanding of the issue of taxation and the financial difficulties facing education nationwide. This topic was discussed with Dr. Max Raines and had his concurrence as an appropriate practicum endeavor.

PROCEDURES

Information and data for this study were derived from a number of sources. As a first step the study focused on a review of prior research pertaining to financing higher education, taxation and Proposition 13. In the former, the study reviewed literature, professional journals and newspaper articles to understand the underlying causes of the financial difficulties that have plagued higher education for a number of years. This initial research led to a more comprehensive review of professional journals, periodicals and news media. The latter review included the screening of news articles related to taxation and Proposition 13 included in the New York Times Company Information Bank from January 1978 through July 1979. A review of all of the aforementioned sources provided insights into the contemporary financial and economic climate pervading the educational community today. The professional journals and news media were examined to understand the financial environment and taxpayer feeling that predipitated the passage of Proposition 13. This analysis included a limited review of related tax legislation in other states.

A more detailed review was made of the contemporary financial climate in South Carolina with specific emphasis on the financing of technical education. Data for this review included an analysis of state fiscal related documents and

in-state news articles from November 1978 through October 1979. An analysis was made of this material to assess legislative and taxpayer feelings towards the financing of higher education in general, with specific emphasis on the feeling towards the underwriting of technical education in the state. This latter analysis was used to determine the presence in South Carolina of factors that casued California taxpayers to approve tax limiting legislation and the potential for similar tax initiatives in South Carolina.

A study was made also of the financial situation of Piedmont Technical College for the last four fiscal years. The potential implications of revenue limiting legislation to the future direction of the college were examined.

The study concluded with a review of current literature concerning the courses of action proposed by educational leaders to cope with the problems fundamental to financing higher education, particularly community colleges, today.

As a result of this research, an assessment of the potential implications of revenue limiting legislation was included in this study. Recommendations concerning financial planning and courses of action to preclude and/or mollify legislative action completed the study. A copy of the study was forwarded to the President and institutional officers for review and approval.

Limitations

This study had a number of limitations. The major limitation was that the scope of the research was narrower than preferred due to time constraints. Moreover, the research effort to find comprehensive studies that addressed long range institutional financial planning proved difficult. While an abundance of professional journal and news articles were available on Proposition 12, the relative newness of the issue had limited the availability of in-depth studies of this subject. Studies examining these issues within the South Carolina framework were not available.

The individual uniqueness of educational institutions throughout the country, including those that are a part of the South Carolina Technical Education System, limited the direct application of the recommendations to this college.

Delimitations

As a result of the limitations of this study, the implications and recommendations had direct application only to Piedmont Technical College.

Definition of Terms

Institutional Officers - The President and the Vice-Presidents for Business Affairs, Development and Educational Affairs.

President - the President of Piedmont Technical College.

Proposition 13 - The popular term for 1978 California legislature limiting property taxes to the 1975 assessment level with tax growth limited to 2 percent per year.

Retrenchment - Any one of a number of economy measures designed to reduce college expenditures.

TEC - When used alone, this term refers to Piedmont Technical College. When followed by the word, system, e.g., TEC System, the term refers to the South Carolina Technical Education System.

RESULTS

As a result of the review of literature pertaining to the financial state of educational institutions it was apparent that a significant number of colleges and universities had experienced financial difficulty rooted in decreased financial support from government and private sources as well as from the effects of inflation and declining enrollment. Abundant evidence validated the financial plight of educational institutions in the late 1960's and the 1970's. Kemerer and Baldridge's text described succinctly the circumstances preceding the onset of financial problems in education (See Page 7). Their contention that state appropriations for education leveled off in the middle and late sixties because of the "diminished popularity" of education with the government and general public and the onset of depressed economic conditions proved to be supportable and relevant equally to the 1970's (Kemerer and Baldridge:1975:44). Time Magazine's characterization of the 1970's as a period of retrenchment in education appeared to be similarly well founded (1979:38).

Research revealed that the difficulties have continued to the present. In Ohio, Antioch University announced in May 1979, that faculty and staff salaries would be held at the same level at least until June 1979 because of cash

flow problems (CHE:1979:6). In Vermont, financially troubled Windham College ended their 1978 fall semester early in September giving their students four days notice to be "off campus by Friday evening" (Greenville News:1978:21A). In Florida, Dr. Glenwood Creech, President of Florida Atlantic University, talked "darkly" about the intense competition for government dollars and the effect on universities already on austere budgets (Miami Herald:1978:10G). Creech noted that he had already pared his staff from 978 to 900 and that Florida Atlantic University faced a "very difficult time" (Ibid).

At the University of Colorado, the largest rally since the Vietnam War protest days was held in March 1979 "when an estimated 7,200 students, faculty, staff and friends gathered to protest proposed cuts in CU-Boulder's faculty and students" (Colorado Alumnus:1979:6). This action stemmed from the legislature's Joint Budget Committee's development of a faculty productivity formula that eliminated upwards of 142 faculty positions (1979:1).

The Chronicle noted that inflation "hit colleges harder in Fiscal 1978" than at anytime in the past 16 fiscal years (1978:8). It later reported that all educational institutions were being squeezed by inflation on one hand and depressed revenue on the other (1979:2). Perhaps capturing the mood of many colleges and universities facing pressing financial

difficulties was the summation by the Weekly Digest of the Research Institute of America (1978:3).

> The new academic year has started in a mood of depression. Colleges face another year of mandated cuts and austerity budgets. Nor is it any longer just the small private schools that suffer; 'Proposition 13 fever' has given big state systems the jitters.
>
> Tuition is sky high, due to go higher. Enrollments are down. Many colleges are underutilized, putting on recruitment blitzes trying to lure older people, housewives, etc., back to learning.
>
> Professors speak of lifeboat mentalitis on their campuses. Survivors of layoffs are protecting courses, programs and jobs. Enrolled students are being held onto, even if they're weak.

The results of the review of contemporary newspaper articles and professional journals substantiated the fundamental concern of institutional officers that taxation issues and the increasing cost of education represented deepening concerns of taxpayers, government officials and legislators. In New York, Governor Carey's budget for Fiscal 77/78 called for cuts in school aid to many school districts and reductions in state income taxes (New York Times:1977:1). In a series of articles discussing the economic problems in U.S. Cities, Fortune Magazine held that cities could survive their "shrinkage" if costs and expenses were cut accordingly (1977:194). The article cited the city governments of Pittsburg, Pa. and Baltimore, Md. as examples of "successful responses to shrinkage" noting

among other measures, the reduction in city taxes and the lowering of mandatory school attendance age to 14 in Baltimore as effective cost-cutting measures (Ibid).

In a series of articles on property taxes, the Christian Science Monitor discussed the "rising hostility to property taxes in the U.S." and noted that public schools, "the biggest beneficiaries of property taxes" required increasing funding (1978:12). The article suggested that taxpayers could influence legislators to limit or enact alternative taxes (Ibid).

A 1978 New York Times survey on efforts of schools across the country to finance public education attributed part of the fiscal crisis in Ohio to the underwriting of public education through property taxes (1978:4). The survey noted a growing public resistance in California to rapidly increasing property taxes to finance state supported schools (Ibid).

This notion of increasing public resistance to tax increases was evident constantly in the news through-out 1978. In Ohio, a public school system was shut down after voters rejected tax levies to operate schools (Saiter:1978: 19). In a May 1978 cover story, the U.S. News and World Report surveyed the springtime mood in America and found general concern over "issues such as taxes, living costs, poor schools and weak national leadership" (1978:19).

Adam Clymer of the New York Times suggested that the mood of voters in 1978 was anti-tax and anti-government (1978:1). As support, he cited the New Jersey senate primary race where republican Jeffrey Bell won the nomination over incumbant Senator Clifford Case by successfully using the tax cut issue, and the impending California referendum to slash property taxes (Ibid).

Voter concern over spiraling taxes was most evident in California, and the state was particularly vulnerable to public supported tax initiatives because of rising property values and taxes. The state legislature led by fiscal conservative Governor Brown failed to reduce tax rates of rising property values but instead "let the higher property values generate a tax windfall that produced a high state surplus" (Kuttner:1979:8). As a result, property taxes had risen to an unacceptable level for many California residents. Adding to this discontentment was the feeling that the increase in taxes was not adding to the quality of services provided to the citizens (Martorana and Smutz:79:38). Of equal concern was a general feeling that there was "substantial inefficiency and waste in government" and that the government was too large and too involved in the lives of people (Ibid).

A focus for this frustration, particularly for property owners, was the Howard Jarvis-Paul Gann property

tax initiative discussed earlier (See Pages 6 and 7). Sufficient public support was garnered to place this issue on the June 1978 ballot as Proposition 13. Despite a concerted effort by the governor, the legislature, the government employees unions and the major newspapers in the state, Californians voted approval of the contentious measure by an almost 2 to 1 margin (Kuttner:1979:8).

The immediate effects of this measure were substantial. For property owners, relief from escalating taxes had been achieved. For state and local governments, the measure translated to a $7 billion loss of projected revenue (Ibid), a forecast of an 8327 government employee layoff (Los Angeles Times:1978:3) and the need for many immediate and complex decisions. For the educational community, the passage of Proposition 13 meant financial trouble. Community Colleges were particularly hard hit (Gleazer:1978:2).

The unprecedented cuts suffered by the Los Angeles Community College were described earlier (See Pages 6 and 7). In San Francisco, the superintendent of schools proposed the "closing of 11 schools, freezing all salaries and eliminating 938 jobs in an effort to meet the drastic cuts" necessitated by the estimated $427 million loss of revenue forced by Proposition 13 (San Francisco Chronicle:1978:1). Angel and Parathanas concluded that the passage of Proposition 13 had superimposed major change "on all elements-teachers,

students, staff and community" of the community college system (1979:18C). A survey of all 106 California Community College presidents, reported that the overwhelming majority of schools were operating within smaller budgets--an average of 11.6 percent lower than the preceding year (Ibid).

While California state financial experts predicted that Fiscal 78/79 spending for the state's 70 community college districts would not decrease substantially, community college officials saw spending down 13-14 percent (Los Angeles Times: 1978:1). State financial officials acknowledged that the spending decrease in community colleges was the first such decrease since the mid-40's (Ibid).

Review of tax limiting legislation in other states reveal that taxpayer and legislator concern over higher taxes was not limited to California. A New York Times survey of states indicated that the trend towards cutting taxes or imposing spending limits had been "strong and pervasive with virtually all states curtailing taxes or spending in some fashion" (1979: 1). This survey reported that: 22 states reduced property taxes; 18 states reduced income taxes; 15 states curtailed sales taxes; 8 states instituted spending limits; and 12 other states either reduced or repealed various other taxes (Ibid). The survey noted that additional tax cuts or spending limit initiatives were pending in Colorado, Ohio, Washington, Florida and California (Ibid).

An earlier report by the U.S. News and World Report supported the Times assessment of the mood of the states. This report stated that Proposition 13 had: "lent impetus to tax cut drive at Federal, state and local levels"; resulted in passage or pending legislation of $3.5 billion in tax cuts in 40 states outside of California; and prompted tax limiting initiatives in "at least 20 states" (1979:24). Libraries, recreation and schools were reported as the agencies most effected by the cuts (Ibid).

In the Wall Street Journal, Sansweet reported that Proposition 13 had prompted many governors to "proclaim their dedication to fiscal frugality" (1979:1). In Massachusetts, Governor Edward King planned to sign a "4% taxcap" plan (New York Times:1979:26). In this same state, a group called Citizens for Limited Taxation were working on a 1980 ballot initiative limiting property taxes to 2.5 percent of the property's appraised valuation annually (Ibid).

In South Carolina, tax-limiting legislation was not passed in 1978 or in 1979 but taxpayer and legislator mood continued to reflect the appropriation frugality noted in a number of states. Research indicated that accountability to taxpayers and holding the lid on state expenditures were announced goals of the new Governor Richard Riley. Governor Riley's thrust to minimize the growth in state agencies and

and their budgets was noted earlier (See Pages 12 and 13). Legislative support of this thrust was reflected in the reporting of early action on the 1980 Budget, and the Budget and Control Board's guidance to state agencies preparing their Fiscal 1980/81 Budget Requests. In the latter, the Board required agencies to identify positions that would be eliminated if 1980/81 appropriations were reduced by 10 percent (Peterson:1979).

On the legislative scene, State Senator Rembert Dennis indicated that funding for the state's institutions of higher learning represented the biggest problem confronting lawmakers (Greenville News:1979:8A). In an "unusual mid-year" address regarding funding, Governor Riley served notice that he would play a lead role in limiting budgets (Greenville News: 1979:4A). In a later address to the state commission on Higher Education, Riley "Applauded panel efforts to trim educational spending" and stressed the need: to avoid "senseless duplication of programs at schools;" to "explore the use of consortiums among colleges;" and to strike a balance between educational needs and "the burgeoning costs of satisfying those needs" (Green:1979:7C).

The Greenville News in tracking Fiscal 1980 legislative action reported that most lawmakers believed that "voting for a tax increase would be political suicide" (1979:2). This position appeared to present legislators with a number of

difficult decisions as the same article stated that anticipated revenue would not cover "build-in raises in expenditures for the first time in memory" (Ibid). In a follow-on article, Weston, reporting on the possibility that projected 1980 revenue would not cover mandated increases, noted the tough "balancing problems facing the legislature" (1979:1B). The article implied that some if not all state supported agencies faced cuts as few legislators would initiate tax increases (Ibid). Governor Riley added "there's just no way to fund all of the programs" (Ibid).

The Southern Regional Education Board suggested that declining enrollments would mean a "closer scrutiny of higher education budgets in the 1980's" (Greenville News:1979: 7B). They reported that full-time enrollments were down in the fall of 1979 and could be expected to decline by 2 percent by the mid-1980's.

The results of research evidenced the continuing financial difficulties of the Technical Education System and Piedmont Technical College. While the 1979 appropriation to the TEC system was up some $3 million from 1978, mandated increases e.g., cost of living increases and related fringe benefits, caused a $765,327 net loss in operating funds (SBFTCE:1979:3). This loss impacted all of the technical colleges in the system.

At Greenville Technical College the schools financial

officer stated that students would have to bear a greater share of the burden because of the lack of state funds (Green: 1979:5B). Subsequently, tuitions were raised over 30 percent for the fall quarter. Increases had either taken place or were under consideration at least four of the other state technical colleges.

At Piedmont Technical College the financial situation described earlier (See Pages 10 & 11), deteriorated further in Fiscal 1979/80. While the FY79/80 state appropriation increased a modest 3 percent or $67,000, the need to assimilate essential positions funded in prior years by Federal funds under the Public Service Employment Program, absorbed the increase and more. The net result was an underfunding of state positions by some $150,000. A 19 percent drop in curriculum enrollment for the fall quarter threatened to further reduce projected revenue by upwards of $100,000 if the enrollment remained at the September 1979 level for the full academic year. Lack of support from four of the seven supporting counties compounded the financial squeeze.

Research revealed that approximately 10 percent of the school's unrestricted revenue was provided by the seven counties serviced by the college. Essentially this support was property tax based. In the early establishment of Piedmont Technical College, seven counties (Greenwood, Laurens, Newberry, Edgefield, McCormick, Saluda and Abbeville) pledged

to support the maintenance of college buildings and grounds on an annual fair share basis. For Fiscal 1979/80, four of the seven counties had not provided their full share and revenue was off approximately 13 percent (Reynolds:1979). This lack of financial support was unprecedented. For Greenwood County, the largest contributor, it represented the first instance of non support. Discussions with county officials indicated that the property-tax based annual appropriation could not be increased because of the press of other priorities and that increased costs (e.g., utilities, wages, maintenance and grounds supplies) would have to be assumed by students (Smoak:1979). County council members were reported to have misgivings over passing on increased costs of education to taxpayers (Mansfield:1979:1B).

The financial outlook for the entire South Carolina Technical Education System looked even worse for FY80/81. Using FY74/75 as a base year, a year when the TEC system received $25.9 million in state appropriations, the tentative FY80/81 state appropriation was $22.9 million or a $3 million decrease (TEC Funding:1979). Preliminary financial data from the state caused the President of Piedmont Technical College to speculate that the FY80/81 could be "down as much as $300,000" (Walters:3:79).

The results of the review of current news and journal articles concerning the aftermath of Proposition 13 were

mixed. Some reviewers, particularly those external to education, suggested that the impact was minimal because the state legislature bailed out local government with $4.3 billion of surplus funds (Kuttner:8:1979). Other sources were even optimistic. Fortune Magazine reported that Proposition 13 added a healthy stimulus to California's economy by: raising personal income by 14 percent; generating 552,000 new jobs; spurring housing construction and stimulating retail sales (Index Journal:4:1979). The author of the Fortune article, M. Stanton Evans suggested that the facts proved the "doomsayers were wrong" and those advocating tax cuts were right (Ibid).

The American Association of Community and Junior Colleges (AACJC) was an early reactor to the California tax initiative. Despite the severity of the reductions to the California Community College System, the AACJC maintained a positive voice. In their September 1978 journal, Edmund J. Gleazer indicated that the AACJC had spent considerable time analyzing the impact of the legislation and concluded that tax structures were, in fact, in need of "overhauling" and that alternative approaches to funding were necessary (1978:2). To meet the challenge of the realities of tax-limiting legislation Gleazer advocated: working with national organizations on new funding measures; "informing people" about the contributions of community colleges "and striving to maintain local control in

the face of increased government funding and direction" (Ibid).

In the same journal issue, John Tirrell cautioned that the evidence for the continuing movement for changes in local, state and federal taxes was not "a revolt but a reaction to a problem growing for about 20 years" (AACJC Journal:5:1978). He explained that the growth in the number of government employees had stabilized somewhat by 1976 but the growth of Federal, state and local "transfer payments--payments in which the government takes tax money and gives it to persons who aren't rendering any current service--had continued unchecked" (Ibid). Tirrell acknowledged the need for tax reform and called on the AACJC and its members to preserve essential college services "without instituting new fees and raising tuitions" (Ibid).

In a subsequent article in the November 1978 issue of the journal, Tirrell cautioned Community College leaders not to lose sight of the basic strengths of the community college system, namely local control, open access, comprehensive programs, and limited cost, by attempts to "fracture the answer to the so-called financial crunch", but to consider options for resolution of financial difficulties within the strengths of the system (1978:5). He suggested that a high percentage of lost revenues could be replaced by the establishment or raising of tuition fees and that these fees could be covered for the most part "by existing

state and Federal programs" (Ibid).

Other educators, including some in California maintained a positive outlook and suggested the need to be an integral part of the planning process that addressed the financial crisis. Chancelor William Craig of the California Board of Education indicated that a board committee had been charged with the responsibility of developing "long range funding alternatives" (AACJC Journal:1978:44). Chancelor Garland Peed and the Board of Trustees of the San Diego Community College District took the positive position that "this district should be part of the solution not part of the problem" (Ibid).

A year after Proposition 13, educators were not as optimistic. California educators debunked the message that everything was fine and viewed the impact of the legislation as adverse. Gerald C. Hayward of the California Community College system saw "a bleak future" (Watkins:1979:3). Watkins noted that some educators predicted: the loss of open enrollment and free tuition; loss of local control; cannibalization of four and two year California Colleges as they compete for funds (Ibid).

University of California's President, David S. Saxon was equally pessimistic and saw "an era of reallocation and consolidation which will seriously challenge the university's capacity" to retain qualified faculty, to offer a broad range

of needed courses and "to conduct research" (Watkins:1979:2). As an immediate effect of Proposition 13, the university suffered a cut of $68.5 million and faced an additional budget cut of $25 million in FY79/80 (Ibid).

As a result of reassessments some months after the passage of Proposition 13, educators began to suggest courses of action. In a comprehensive article concerning the planning effort of the Los Angeles Community College District prior to the passage of Proposition 13, Leslie Koltai stressed the importance of advance contingency planning to preserve order "amid the chaos of the prevailing atmosphere of taxpayer revolts" (1978:27). His advocacy for planning was supported by other leaders.

Slocum argued that the taxpayer rebellion against increased personal property taxes required "any educational agency that depends on such taxes for its existence to analyze every aspect of the institution before asking constituents for more tax money" (1979:35). She advocated the need for comprehensive long-term financial planning and continuous analysis of all facets of the institution to predict future financing requirements (Ibid). The development of an action plan for creating a favorable climate prior to the initiative of a referendum for more tax dollars was presented by Slocum as a must (1979:36).

In a similar vein, Gleazer called upon community college leaders to make a concerted effort to "demonstrate efficiency to taxpayers" and to point out the many services provided to the community (1979:3). He saw no decline in public interest in education and suggested that community colleges meet mounting education needs by adapting to change and to taking deliberate actions to convince the community that "the proposed breadth of services merits support" (Ibid).

Martorana and Smutz saw the need for community college leaders to intensify lobbying efforts at state level to obtain necessary supporting funds and to undertake a major education campaign at the local level to convince citizens of the quality and efficiency of services (1979:41). They saw these as important first steps to forestall future financial difficulties (Ibid).

In a provocative article that posed the question "Can Community Colleges Adopt to Hard Times?", William Vincent argued that the 16 percent per annual growth of the 1970's wouldn't continue and colleges faced a period of little or no growth compounded by financial difficulties (1979:48). He suggested that the earlier success of the community college would be repeated into the 1980's only if each college include "on its agenda" and "dealt successfully" with the following matters (Ibid):

-A critical self-study focused on the integrity of all programs and the quality of collegiate life for all the constituents of the campus.

-Major budgetary adjustments to reflect diminishing fiscal resources and modified priorities based on the self-study.

-Unabashed involvement in local and state politics by community college organizations, trustees, presidents, and other appropriate bodies to promote the community college as the collegiate institution best able to promote the egalitarian ideals of American democracy at the least cost.

-An enhanced faculty awareness of the extra institutional forces that shape institutional policy.

-A public relations effort directed toward expanding the constituency through non-traditional programs, and development of private sources of revenue-corporations, foundations, and alumni.

-Insistence on the maintenance of articulation agreements with four-year colleges and universities that recognize the advanced standing of students holding the associate degree.

-Provisions for faculty development and faculty exchange programs to compensate for low turnover.

-Further recognition of the student as a consumer of academic services through innovative scheduling, methods of instruction, creative remediation programs, effective advisement, and expanded supportive activities.

-A way to make the transition from traditional academic collegiality to more legalistic approaches, whether under formal collective bargaining or not.

-A method to assure that non-traditional academic collegiality to more legalistic approaches, whether under formal collective bargaining or not.

-A method to assure that non-traditional instruction unity are recognized for reimbursement by state agencies and that their validity is supported through accreditation.

In summary, the results of research substantiated the fact that educational institutions were under increasing financial pressures due to a number of factors including declining government support. This decline started before the passage of Proposition 13 and continued after its enactment. Proposition 13 sharply reduced government support to education in California and heightened the resolve of legislators and taxpayers in other states. Moreover, the measure resulted in major retrenchment actions including reductions in faculty, staff, and college services, as well as implications for changes in tuition policies, open enrollment, and in the degree of local control.

In South Carolina, elected officials appeared to be influenced by the swell for accountability and tax reform and avowed to hold the lid on expenditures and taxes. To date this has resulted in austere appropriations to the TEC System and to Piedmont Technical College.

Educators were mixed on their views for the future of education but some consensus existed for the need to: seek alternative sources of revenue; work with national organizations on funding measures; inform the community of the contributions of colleges; strive to maintain local control; demonstrate efficiency; consider options for resolution of financial difficulties within the strengths of the system; intensify lobbying efforts at state and local levels; and conduct advance planning.

DISCUSSIONS, IMPLICATIONS, AND RECOMMENDATIONS

The purpose of this study was to assess the potential implications of property tax limitation legislation in South Carolina. The initial impetus for the study grew from the author's concern with the financial constraints permeating college operations during the last four years. Equally disquieting was the absence of financial data in the annual plan and the practice of not linking the budget with the formal planning process. As a result, objectives were developed in the process that were neither supported nor constrained initially by financial considerations.

Historically the college planning process began in January of each year and concluded with the distribution of the written "plan" early in the fiscal year beginning in July. This planning document contained the objectives targeted for completion by each division at various points within the fiscal year. Typically the plan limited financial data to a line in the assumptions portion indicating "level funding" or a reference to a percentage of increase or decrease expected in the forthcoming year.

The budget process had a different cycle. This process began in April and ended for most of the college with the receiving of state and local government appropriations in July or August and the subsequent distribution of division budgets. The planning document and the budget were not

linked at this time or as mentioned, at any other time in the equally important, but to date, singular processes.

An early step in the integration of planning and budgeting was the development of the revenue forecast. An element of this forecast was the assessment of the exportation of Proposition 13 type legislation to South Carolina. Was the passage of major tax limiting legislation unique to California or was Proposition 13 the first eruption of a problem that had been festering for quite some time? If the former, then the implications beyond California were not so threatening to institutions dependent on state and local government support. On the other hand, if the legislation was symptomatic of a progressive change in taxpayer and legislator priorities, then the implications would have to be considered seriously. Research indicated the latter.

Declining enrollments, inflation, recessions and the shifting of priorities were found to be fundamental to the fiscal difficulties of many educational institutions. The shifting of Federal, state and local legislative priorities from education to the other service needs of constituents continued throughout the 1970's.

In California the substantial increase in property taxes provided the rallying point for taxpayers to vent their dissatisfaction with both taxes and support services. While the California experience was unique in many ways, including the unprecedented depth of reductions in appropriations to education, fundamentally the action could be viewed as the

logical progression of the shift in priorities begun in the late 1960's. Certainly abundant evidence was available to document the financial difficulties in educational institutions before the passage of Proposition 13 as well as after the measure's enactment. The subsequent development of spending limit initiatives in a large number of other states indicated that the general attitude of the California taxpayer towards taxes and government supported community services was widespread. The review of journal materials and news print showed that this attitude of frugality had reached South Carolina.

This study provided some evidence that the governor was both vocal and action-oriented towards his concerns for limiting taxes and appropriations to education. Legislators were concerned similarly with holding the lid on taxes and a number were concerned with the effectiveness of the TEC System. These concerns were manifested by lower appropriations to the TEC System in FY79/80 as well as instructions to the Budget and Control Board and Board of Education to hold growth and trim educational spending (See Pages 32 and 33).

For Piedmont Technical College FY79/80 saw not only an austere state budget, one underfunded by $150,000 but for the first time a 12 percent underfunding from local government support. The added ingredients of reduced enrollment and an 11 percent inflation rate added to the tightening financial

constraint. The earlier reductions in government support, the halt in enrollment growth followed by some decline, and the more recent state and local government shift in support, all reflect the characteristic symptoms of financial weakness experienced by large numbers of educational institutions, including those in California.

The evidence is clear to the author that the revolt against taxes and government spending is not unique to California but is prevalent in a large number of states, including South Carolina. The implications to Piedmont Technical College are numerous and should be of special interest to the administration.

In the absence of the development and implementation of successful plans to counter the continued progression of existing trends, the author believes that the austere state appropriations of the last several years can be expected to continue. Further, the recent leveling of enrollment growth followed by the 14 percent decline in enrollment in the Fall Quarter of 1979, and the current decrease in local government support indicates that two other major revenue sources will decline similarly. Past reductions in revenue have resulted in a number of retrenchment actions. If revenue continues to decline, retrenchment actions will be deeper and broader. The implications for the faculty, staff and students under these conditions are not pleasant. For faculty and staff, retrenchment hits their

personal pocketbook, often severely, and limits the way that they are accustomed to performing their work. For students, the reduction in funds from government sources usually results in increased fees.

The author suggests that two courses of action are necessary to reverse the shrinkage in the financial support base described in the preceding scenario.

First, a need exists to recognize that the era of unquestioned full funding from state and local government sources is over. As a result, the development of the annual plan with little consideration or relationship with the budget process is no longer feasible or rational. On the one hand the needs developed through the planning process should be identified clearly, and justified succintly to lend credibility to the budget submittals to state and local governments. On the other hand, the reality of less than full funding of the budget underscores the importance of developing planning objectives that include the financial support required to attain the objective. Further, the uncertainty of the realization of some revenue projections, e.g., tuition, suggests that objectives need to be prioritized to insure that scarce funds are applied to the most important objectives.

Second, as an integral part of the college planning process an equally important need exists to develop a

comprehensive plan of action to address legislator and public opinion regarding the role played by the college in the community. While support for the college continues, the facts are clear that the financial support base has eroded over the last several years. Inflation and recession have contributed markedly to this erosion. While little can be done effectively to counter these forces, much can be done to address the concerns of supporters. As advocated by a number of educators, the college needs to convince government officials and the general public that the college provides a valuable service to the community and this service is provided efficiently, qualitatively and economically. Tangential to the latter is the requirement to include objectives in the planning process that examine all facets of college operations to optimize efficiency and economy. These objectives could include the prioritization of sequential cost saving actions that could be implemented in the event that some funds were cut unexpectedly. With the consensus of the planning staff, council of deans and faculty senate, this prioritized sequence of actions would be in effect, the contingency plan advocated by California educators.

This study sought to determine the implications of Proposition 13 and tax limiting legislation in South Carolina. The author concludes that Proposition 13 or a similar tax limiting measure was an extension, an extreme extension to be sure, but nevertheless, one that progressed

through the increasing concern over taxes and the quality of services, including those provided by state supported educational institutions. This deep concern exists in varying degrees of intensity throughout the nation. In South Carolina, the technical education system has been impacted adversely by the lack of state and local government support. For Piedmont Technical College, extensive planning appears necessary to link planning and budgeting and to develop an action plan to convince legislators and taxpayers of the value of supporting the college.

Recommendations

In view of the continued austere financial outlook for the technical education system and this college, the following recommendations are made:

1. That personnel of the Business Affairs Office and Development Office be selected to form a committee charged with the development of actions necessary to interface the planning and budgeting processes.

2. That this committee present recommendations to the planning staff in the initial planning meeting in January 1980.

3. That the President and planning staff include in the planning cycle a contingency plan for selected reduction of expenditures and a plan of action to gain legislator and public financial support of college objectives.

4. That the contents of this study be made available to the planning staff for insights into the implications of Proposition 13 and the legislative climate in South Carolina.

5. That consideration be given to the initiation of in depth studies that examine the implications of accountability, local control, fee structures and other related fiscal issues surfaced but not addressed completely in this study.

REFERENCES

Angel, Dan and Demetrius Karathan S. "Proposition 13 Pinches California Community Colleges." Page 18C. American School and University. February, 1979.

Chason, Robert L., Vice President of Development, Piedmont Technical College. Personal Interview. Greenwood, South Carolina. March 10, 1979.

Christian Science Monitor (The Information Bank). Hostility to Property Taxes. Page 12. February 1, 1978.

Chronicle of Higher Education. "Antioch to Withhold Pay to Stern Cash - Flow Crisp." Page 6, May 29, 1979.

Chymer, Adam. Mood of Voters In 1978. New York Times (The Information Bank) Page 1. June 11, 1979.

Colorado Alumnus., "7,200 Attend Largest Rally Since Vietnam Protest Days." Boulder, Colorado. April, 1979.

Community and Junior College Journal. "Shock Waves Continue Over Proposition 13." Page 44. September, 1978.

Education Commission of the States. "Retrenchment In Education- the Outlook for Women and Minorities." Report Number F76-9. Denver, Colorado, 1977.

Elliott, Davis & Company. "Piedmont TEC Audit Report for Fiscal Year Ended June 30, 1978." Greenville, South Carolina, 1978.

Fortune (The Information Bank). "Agenda for New Administration." Page 194. March, 1977.

"The 1978 General Assembly", Contact, Newsletter of the South Carolina Technical Education Association, Fall 1978.

Gleazer, Edmund J. Jr. "AACJC Approach." Community and Junior College Journal. Page 2. September. 1978.

Goodwin, Gregory and James C. Young. "Increasing Productivity in the Community College." League for Innovation in the Community College and ERIC Clearing House for Junior Colleges. University of California, Los Angeles 1978.

Green, Ann. "TEC Officials Seek Tuition Increase." The Greenville News, Page 5B. June 19, 1979.

Green, Ann. "Is Technical Education as Good as Before?" The Greenville News, Page 1. Greenville, S.C. February 26, 1979.

Green, Ann. "Riley Applauds Panel Efforts to Trim Educational Spending." The Greenville News, Page 7C. Greenville, S.C. September 7, 1979.

Greenville News. "Austerity is Watchword at State Budget Board." Page 2. Greenville, S.C. September 11, 1979.

Greenville News. "College Enrollment Drop Has Serious Consequences." Page 7B. Greenville, S.C. July 12, 1979.

Greenville News. "Financial Problems Close Small College." Page 21A. Greenville, S.C. December 14, 1978.

Greenville News. "Higher Education Finding Key to Budget Bill." Page 8A. Greenville, S.C. July 11, 1979.

Greenville News. "Riley Warns Early About Tight Budget." Editorial, Page 4A. Greenville, S.C. September 1, 1979.

Greenville News. "Riley Establishes Specific Objectives." Opinion and Commentary. Page 4A. Greenville, S.C. January 19, 1979.

Greenville News. "Stick to Technical Skills, TEC Officials Told." Page 1. Greenville, S.C. March 14, 1979.

Greenville News. "Tax Cuts Top Legislators List of Issues in South, Too." Page 6A. Greenville, S.C. March 14, 1979.

Greenville News. "The TEC System Falters." Opinion and Commentary. Page 4A. Greenville, S.C. May 7, 1979.

Greenville News. "Taxes Jump Nearly 60% in 5 Years." Page 1. Greenville, S.C. October 22, 1979.

Holman, Paul C. "Cutting Colleges' Budgets: What's the Starting Point?". The Chronicle of Higher Education. Page 23, May 14, 1979.

Index Journal. "Taxes and the Economy." Editorial, Page 4. Greenwood, S.C. October 24, 1979.

Kemerer, Frank R. and J. Victor Baldridge. "Unions on Campus." Jossey-Bass Publishers, San Francisco, 1975.

Koltai, Leslie. "Taxquake In Los Angeles." Community and Junior College Journal. Pages 24-27. September,1978.

Kuttner, Bob. "The National Tax Revolt That Didn't Happen." Parade Magazine. Page 8. January 28, 1979.

Lombardi, John. "Meeting the Financial Crisis." New Directions for Community Colleges, Summer 1973. Jossey-Bass, San Francisco, California

Los Angeles Times (The Information Bank) Local Government Layoffs. Page 3. July 13, 1978.

Los Angeles Times (The Information Bank) 78-79 Spending for Community Colleges. Page 1. October 1, 1978.

Los Angeles Times (The Information Bank) Survey of California Local Governments - Proposition 13. Page 1. June 3, 1979.

Margarrell, Jack. "Beset by Inflation, Many Colleges Plan Hefty Increase in Tuition Next Year." The Chronicle of Higher Education. Page 1. March 26, 1979.

Magarrell, Jack. "Financial Woes Worsen at Some Private Colleges." The Chronicle of Higher Education. Page 2. July 31, 1978.

Magarrell, Jack. "Inflation Hit Colleges Harder In Fiscal 1978." The Chronicle of Higher Eduation. Page 8. September 25, 1978.

Mansfield, Duncan. "Greenwood Trustees Seek Frustrations End." The Greenville News. Page 1B. Greenville, S.C. November 6, 1979.

Mansfield, Duncan. "School System Gets Mixed Reviews." The Greenville News, Page 1D. Greenville, S.C. January 24, 1979.

Martoranna, S.V. and Wayne D. Smutz. "The Taxpayer Revolt and the Large Legislative Scene." Community and Junior College Journal. Page 38. December/January 1978-1979.

Miami Herald. "Florida Atlantic University: An Experiment Alters Course." Page 10G. Miami, Florida. December 24, 1978.

Morgan, John A. Jr. "Developing A Reduction In Force Procedure At Piedmont Technical College." Resources in Education, ERIC Clearinghouse On Higher Education. May 1979. Page 78.

National Center for Educational Statistics. "Fall Enrollment in Colleges and Universities 1978." December 1978.

New York Times (The Information Bank). New York Budget. Page 1. January 19, 1977.

New York Times (The Information Bank). Mass. Tax Cap. Page 26. May 13, 1979.

New York Times (The Information Bank). Survey of Finance Public Education. Page 4. March 5, 1978.

New York Times (The Information Bank). Survey of Tax Trends. Page 1. August 5, 1979.

Peterson, Donald R. "1980-81 Budget Request." Letter from State TEC Fiscal Officer to Business Officers, TEC. May 1, 1979.

Property Taxes. Christian Science Monitor (The Information Bank). Page 12. February 1, 1978.

Reynolds, Gloria, Budget Officer, Piedmont Technical College. Personal Interview. Greenwood, S.C. September 6, 1979.

The Research Institution of America. "Research Institute Recommendations." Weekly Digest. Page 3. New York, New York. September 22, 1978.

Saiter, Susan. Spring Survey of Education. New York Times. Page 19. April 30, 1978.

Sansweet, Stephen J. "Fee Fever." The Wall Street Journal. Page 1. June 1, 1979.

San Francisco Chronicle (The Information Bank). California Poll on Proposition 13. Page 7. March 1, 1978.

San Francisco Chronicle (The Information Bank). School Closings. Page 1. June 30, 1978.

Slocum, Doris. "Is Your College Ready for a Referendum." Community and Junior College Journal. Page 35. December/ January 1978-79.

Smoak, Gary. Director, Greenwood County. Personal Interview. Greenwood, S.C. August 9, 1979.

S.C. State Board for Technical and Comprehensive Eduation. "1977-1978 TEC'S FUTURE - YOU WILL DECIDE." South Carolina State Printing Office, 1977.

South Carolina State Committee for Technical Education. "The Role of TEC." Conference Proceedings, June 21-23, 1972. Columbia, S.C.

State Board for Technical and Comprehensive Education. Letter from Donald Peterson Budget Director to Directory Piedmont TEC., July 18, 1977.

State Board for Technical and Comprehensive Eduation. "TEC An Investment in Economic Expansion." State Printing Office Columbia, S.C. September 1979.

State Board For Technical and Comprehensive Education. "Summary of Changes in Appropriation." Page 3. Columbia, S.C. August 1, 1979.

TIME, "Private Colleges Cry 'Help!". Page 38. January 15, 1979.

TIME, "This University Wants You." May 29, 1978.

Tirrell, John E. "Federal Report." Community and Junior College Journal. Page 5. November 1978.

Tirrell, John E. "We Can Do More Than Draw The Wagons In A Circle." Community and Junior College Journal. Page 5. September 1978.

U.S.News and World Report (The Information Bank). Proposition 13. Page 24. June 11, 1979.

U.S. News and World Report (The Information Bank). Springtime Mood in America. Page 19. May 8, 1979.

Vanuch, Van. "Good Chance for Tax Break Predicted." The Greenville News. Page 1B. Greenville, S.C. January 8, 1979.

Vincent, William E. "Can Community Colleges Adopt To Hard Times." The Chronicle of Higher Education. Page 48. July 2, 1979.

Walters, Lex. President, Piedmont Technical College. Personal Interview (1). Greenwood, S.C. January 7, 1979.

Walters, Lex. President, Piedmont Technical College. Personal Interview (2). Greenwood, S.C. October 31, 1979.

The Washington Star. "GAO Blasts Aid Program for Colleges." Page A10. Washington, D.C. October 18, 1979.

Watkins, Beverly T. "Scaling Down the Multiversity." The Chronicle of Higher Education. Page 3. May 7, 1979.

Watkins, Beverly T. "Proposition 13 and Higher Education, 12 Months Later." Page 3. The Chronicle of Higher Education. May 29, 1979.

Western, Chris. "Legislative Faces Tough Balancing Act in 1980." Page 1B. The Greenville News, Greenville, S.C. September 16, 1979.

APPENDIX

INTER-OFFICE MEMORANDUM

Piedmont TEC

DATE: January 30, 1979

TO: John Morgan

FROM: Lex Walters

SUBJECT: Nova Practicum

John, I concur with your thoughts on the timeliness of accessing the potential implications of Proposition 13 and similar revenue limiting tax measures. There are a number of indications that this proposition has influenced legislators here, and there are undoubtedly a number of lessons that we can learn from the experiences of California College Administrators. These insights could be particularly helpful during our current planning cycle. As you know, we have spent considerable time in preparing a strategic plan that will outline our direction for the next 5 years. The completion of an accurate and comprehensive plan could be of tremendous value to our future success as a responsible educational institution.

If you can work this into your current study with Nova, I believe that it would be a very worthwhile project.

ks

ERIC Clearinghouse for Junior Colleges
96 Powell Library Building
University of California
Los Angeles, California 90024

FEB 15 1980